

## GREATER TUBATSE MUNICIPALITY

### NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2009

	2009 R	2008 R
<b>9. INVESTMENTS</b>		
<b>Short Term Fixed Deposits</b>		
First National Bank	-	<u>6 454 954</u>
Council's valuation of investments	-	<u>6 454 954</u>
<i>FNB call accounts regarded as cash</i>		
<i>No investments have been written off during the year.</i>		
<b>10. INVENTORY</b>		
Unsold properties	<u>13 625 000</u>	<u>13 625 000</u>
<i>Items that met the definition of inventory were previously included under land and buildings. These items met the definition of inventory in accordance with GAMAP 12 and were transferred to inventory.</i>		
<i>Properties listed under inventory which were sold during the year, were expensed.</i>		
<b>11. CONSUMER DEBTORS</b>		
<b>30 June 2009</b>		
Service debtors:		
Property rates	44 638 957	Provision for Bad Debt
Water	31 869 415	(14 822 355)
Sewerage	5 708 590	(10 486 944)
Refuse	1 389 651	(1 938 134)
Other	5 671 302	(471 803)
	<u>44 638 957</u>	<u>(14 822 355)</u>
	<b>44 638 957</b>	<b>29 816 602</b>
<b>30 June 2008</b>		
Service debtors:		
	35 208 082	(14 822 355)
	<u>35 208 082</u>	<u>(14 822 355)</u>
	<b>35 208 082</b>	<b>20 385 727</b>
<b>Reconciliation of bad debt provision</b>		
Balance at beginning of year	4 454 615	
Contributions to provision	2 587 001	
Bad debts written off against provision	-	
Balance at year end	<u>14 822 355</u>	<u>7 041 616</u>
	<b>14 822 355</b>	<b>7 041 616</b>

<b>12. OTHER RECEIVABLES</b>		
Other debtors	818 002	561 747
VAT	-	11 213 229
	<b>818 002</b>	<b>11 774 976</b>
<b>Other debtors are recognised at cost as permitted in terms of gazette 30013 of 29 June</b>		
<b>13. CASH AND CASH EQUIVALENTS</b>		
The municipality has the following bank accounts:		
FNB: Burgersfort		
Account number: 56550022466		
Current account (primary bank account)		
Bank statement balance at beginning of year	10 866 012	3 027 499
Bank statement balance at end of year	<b>6 301 572</b>	<b>10 866 012</b>
Cash book balance at beginning of year	10 866 012	3 023 499
Cash book balance at end of year	<b>(7 601 442)</b>	<b>10 866 012</b>
Short Term Fixed Deposits -		
FNB call accounts	4 557 783	
Petty cash	<b>4 557 783</b>	
Total cash resources	4 000	4 000
	<b>(3 039 658)</b>	<b>10 870 012</b>
<b>14. PROPERTY RATES</b>		
Rates Levied	34 374 403	32 237 580
Income for Gone	(1 320 286)	
	<b>33 054 116</b>	<b>32 237 580</b>
<b>VALUATIONS</b>		
<b>Residential</b>		
Government	1 176 803 011	1420 103 109
Commercial	365 817 900	960 091 923
Municipal	677 771 001	830 118 004
Agricultural	32 788 400	51 665 506
Mining	965 836 004	-
Exempted	438 000 000	
	38 187 000	1121 476 004
	<b>3 695 203 316</b>	<b>4383 454 546</b>

Draft only  
**Valuations on properties are performed every four years and the last general valuation come into effect on 1 July 2007. This was done in line with Municipal Property Rates Act.**

**15. SERVICE CHARGES**

Sale of water	8 930 550	7 045 071
Refuse removal	4 625 384	4 261 729
Sewerage and sanitation charges	1 663 008	3 775 841
	<b>15 218 943</b>	<b>15 082 641</b>

**16. GOVERNMENT SUBSIDIES & GRANTS**

***Operating Grants***

Equitable share	57 481 429	44 875 000
Finance management grant (FMG)	500 000	250 000
Municipal systems improvement grant (MSIG)	735 000	1 484 000
Sekhukhune District	815 625	326 250
Limpopo Province (Planning)	6 900 000	683 732
DBSA grant		

***Capital Grants***

Municipal infrastructural grant (MIG)	21 243 000	29 613 296
Department of Transport	-	15 313 296
	<b>87 675 054</b>	<b>77 232 278</b>

**Total Government Grants & Subsidies**

***Equitable Share***

This grant is an unconditionally grant.

***Finance Management Grant***

Balance unspent at beginning of year	500 000	250 000
Current year receipts	( 500 000)	( 250 000)
Conditions met – transferred to revenue	-	-

***Unspent amount transferred to liabilities***

(see note 7)

This grant was used to promote and support reforms to municipal financial management and the implementation of the MFMA, 2003. Other than the unspent amount, the conditions of the grant were met and no funds have been withheld.

***Municipal Systems Improvement Grant***

Balance unspent at beginning of year	735 000	1 484 000
Current year receipts	( 735 000)	( 1 484 000)
Conditions met – transferred to revenue	-	-

***Unspent amount transferred to liabilities***

(see note 7)

This grant was used for community participation processes, performance management and for the IDP process.

***Other grants***

Current year receipts	7 715 625	1 009 982
Conditions met – transferred to revenue	( 7 715 625)	( 1 009 982)
<b>Unspent amount transferred to liabilities</b>	<b>-</b>	<b>-</b>

These grants were used for ward committee management and the DBSA grant was used for the municipal baseline information.

**16. GOVERNMENT SUBSIDIES & GRANTS (CONTINUED)**

***Municipal Infrastructure Grant (MIG)***

Balance unspent at beginning of year	21 243 000	15 313 296
Current year receipts	<u>(21 243 000)</u>	<u>(15 313 296)</u>
Conditions met – transferred to revenue	-	-
<b>Unspent amount transferred to liabilities</b>	<b>-</b>	<b>-</b>

(see note 7)

This grant was used to construct roads and cemetery. Other than the unspent amount, the conditions of the grant were met and no funds have

***Department of Transport***

Balance unspent at beginning of year	6 050 813	-
Current year receipts	<u>-</u>	<u>14 000 000</u>
Conditions met – transferred to revenue	<u>(6 050 813)</u>	<u>(7 949 188)</u>
<b>Unspent amount transferred to liabilities</b>	<b>-</b>	<b>6 050 812</b>

(see note 7)

The grant was used for the transport interchange facility model.

***Other grants***

Current year receipts	-	300 000
Conditions met – transferred to revenue	<u>-</u>	<u>(300 000)</u>
<b>Unspent amount transferred to liabilities</b>	<b>-</b>	<b>-</b>

The grant was given by the mine for roads.

**17. INVESTMENT REVENUE**

**EXTERNAL INVESTMENTS**

Current account	1 332 712	1 074 513
External investments	<u>512 352</u>	<u>824 443</u>
	<b>1 845 064</b>	<b>1 898 957</b>

**18. OTHER REVENUE**

Building plan fees	612 056	285 496
Reconnection fees	474	8 309
Town planning fees	-	36 912
Clearance certificates	54 773	36 912
Fines	654 565	
Rental	152 311	
Late Payment	3 223 066	
Licenses and permits	5 862 187	
Sundry Income ( Refund of colera)	2 646 905	
Sundry income	<u>1 012 304</u>	<u>1 014 040</u>
	<b>14 218 640</b>	<b>1 381 669</b>
<b>Total Revenue</b>	<b>152 011 817</b>	

## 19. EMPLOYEE RELATED COSTS

<b>Employee related costs - Salaries and wages</b>	34 219 010	26 713 865
Employee related costs - Social contributions	7 530 346	5 849 809
Travel, motor car and other allowances	5 766 355	5 616 060
Housing benefits and allowances	3 661	107 227
Leave contribution	-	3 670 255
Overtime payments	1 087 819	565 930
Other Allowances	3 044 025	3 617 458
	<b>51 651 216</b>	<b>46 140 604</b>

There were no advances to employees.

### Remuneration of Managers

#### Municipal Manager

Annual remuneration	665 570	515 259
Allowances	1 542	179 795
Council Contributions	171 699	1 511
	<b>838 811</b>	<b>696 565</b>

#### Chief Financial Officer

Annual remuneration	539 323	332 958
Allowances	1 542	129 470
Council Contributions	199 202	1 366
	<b>740 067</b>	<b>463 794</b>

#### Director: Strategic Services

Annual remuneration	526 533	466 757
Allowances	1 542	109 428
Council Contributions	175 428	1 511
	<b>703 503</b>	<b>577 696</b>

#### Director: Economic & Land Development

Annual remuneration	532 533	397 027
Allowances	1 542	169 428
Council Contributions	169 428	1 511
	<b>703 503</b>	<b>567 966</b>

#### Director: Community Services

Annual remuneration	532 533	412 757
Allowances	1 542	163 428
Council Contributions	169 428	1 511
	<b>703 503</b>	<b>577 696</b>

#### Director: Technical Services

Annual remuneration	532 533	445 460
Allowances	1 542	138 028
Council Contributions	169 428	6 859
	<b>703 503</b>	<b>590 347</b>

#### Director: Corporate Services

Annual remuneration	532 533	356 667
Allowances	1 542	129 428
Council Contributions	169 428	1 511
	<b>703 503</b>	<b>487 606</b>

#### Director: Executive Support

Annual remuneration	532 533	417 333
Allowances	1 542	113 809
Council Contributions	169 428	
	<b>703 503</b>	<b>531 142</b>

Performance bonuses will be paid out in terms of Section 57 of the Municipal Systems Act.

## 20. REMUNERATION OF COUNCILLORS

<b>Mayor</b>	534 687	481 687
Speaker	430 942	388 940
Chief Whip	405 006	366 784
Executive Committee members	2 739 703	2 453 414
Councillors	7 769 016	6 597 332
	<b>11 879 354</b>	<b>10 288 157</b>

The Mayor, Speaker, Chief Whip and certain portfolio Chairpersons are full time. Each is provided with an office and secretarial support at the The Mayor has use of a Council owned vehicle and driver for official duties. The Mayor has one full time bodyguard.

## 21. FINANCE COST

Annuity loan	1 545 150	596 442
External loan cost	<b>1 545 150</b>	<b>596 442</b>

## 22. GENERAL EXPENSES

Consultant fees	2 847 756	7 580 742
Events and special projects	1 028 752	745 692
Free basic electricity	4 333 524	1 496 536
Grant expenditure	500 000	246 631
Legal fees	3 779 803	1 651 348
Printing and stationery	739 095	698 627
Rentals	2 714 000	2 047 418
Telephone expenses	1 200 385	821 510
Training	1 273 744	1 114 673
Travel and accomodation	2 781 033	1 555 767
Valuation costs	45 614	-
Vehicle registration	-	5 470 782
Audut External Fees	1 143 747	
Occupational Training	1 025 532	
Planning Fees	6 256 306	
Ward Committees	848 000	
Inter Departmental Transfer	1 119 562	
Other	5 241 688	6 917 377
	<b>36 878 542</b>	<b>30 347 103</b>
Bad debts	<b>8 384 109</b>	
Depreciation	<b>8 658 543</b>	
Repairs and Maintenance	<b>7 509 807</b>	
Contracted services	<b>13 005 405</b>	
<b>Total Expenditure</b>	<b>139 512 126</b>	